

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Cash Balance Benefit Program Update

ITEM NUMBER: 9

ATTACHMENT(S): 0

ACTION:

MEETING DATE: June 3, 1999

INFORMATION: X

PRESENTER: Mr. Lujano

A. SUMMARY

As of May 17, 1999, Cash Balance (CB) Benefit Program participating employers are actively reporting a total of 5,680 participants and the Program has received over \$4.04 million in contributions. The Antelope Valley and Ventura County Community College Districts, as well as the Montgomery Elementary District have concluded their election processes. The additional participants and contributions from these three districts' should be evident in the June and July data. Additionally, the Foothill-De Anza Community College District in Santa Clara County has begun their implementation efforts. CB Benefit Program staff traveled to the district on May 25 to conduct implementation and reporting training in preparation for the beginning of the district's election phase on July 1, 1999. The district has also requested that program staff conduct general employee workshops.

B. UPDATE ON PROGRAM MARKETING

The CB Benefit Program marketing strategy continues to follow the plan adopted by the Board in October 1997, but staff is in the process of revising the plan to meet current needs. This fiscal year, 50 employee workshops have been presented to an estimated total of 765 individuals, in addition to 54 meetings scheduled with school district officials.

Initial contact has been made with all employers that expressed interest at the Northern and Southern California CalSTRS Employer Institutes, which took place earlier in the spring. Workshops will be scheduled as requested. Staff is also continuing outreach efforts to the targeted districts.

The following presentations and workshops have been held/scheduled:

May 14, 1999 - California Part-time Faculty Association (CPFA) Regional Assembly

A presentation on the CB Benefit Program was made at De Anza Community College to approximately 35 CPFA members. Ensuing discussion focused on pending legislation and part-time retirement issues.

May 26, 1999

CalSTRS Reporting Workshop (for departmental staff)

May or June 1999

Berkeley Unified School District Employee Workshops

Summer 1999

Foothill De Anza Community College Employee Workshops

Staff is continuing to develop a targeted mailing, which will be sent to all districts within counties that have completed the required data processing changes necessary to support the reporting of the Cash Balance Benefit Program. The actual mailing will begin this month, starting with the districts in Sacramento County.

A team of selected External Affairs and Program Development staff has been created to develop a whole new theme for the Cash Balance Benefit Program. The team will be revising all CB Benefit Program marketing and educational materials while incorporating the new CalSTRS logo. Additionally, a list of frequently asked questions is being collected from workshops and presentations and will be developed as an additional marketing tool. This document will also be made available on the CalSTRS CB Benefit Program web site.

C. UPDATE ON ADMINISTRATION

PROGRAM GROWTH

The table below represents the current year CB Benefit Program growth including the percentage of change from the previous month.

	February 1999	% of Change	March 1999	% of Change	April 1999	% of Change
Participants	5,135	+ 1.3%	5427	+ 5.7%	5,608	+ 3.3%
Employers Actively Reporting	15	none	15	none	16	+ 6.7%
Participating Counties	10	none	10	none	11	+10.0%
Total Contributions Received*	\$3,163,000	+ 4.7%	\$3,514,000	+ 11.1%	\$3,846,000	+9.4%.
Net Asset Value*	\$3,980,000	+ 13.4%	Unavailable until 5/25/99		Unavailable until 6/25/99	

*Amounts rounded to the nearest thousand dollars.

PARTICIPATING EMPLOYERS

The following is a list of the nineteen (19) employers offering the CB Benefit Program to their part-time, substitute and adjunct faculty.

COUNTY	K-12 SCHOOL DISTRICTS	COMMUNITY COLLEGE DISTRICTS
Alameda	Berkeley Unified	
		Chabot-Las Positas
		Fremont-Newark
		Peralta
Contra Costa	West Contra Costa Unified	
		Contra Costa
Los Angeles		Antelope Valley
		El Camino
		Glendale
Sacramento	Robla Elementary	
San Diego	Grossmont Union High	
Santa Clara		San Jose-Evergreen
		Foothill-De Anza*
Solano		Solano
Sonoma	Montgomery Elementary	
		Sonoma County
Ventura		Ventura County
Yuba		Yuba
San Francisco		San Francisco

*Employers currently in the implementation or election phase.

RATE OF RETURN ON INVESTMENTS (Aggregate – TC11 and TC64)

The long-term rate of return on CB Benefit Program funds has held its investment value even through the fluctuating market experienced during the 1998/99 fiscal year. The following table shows the various rates of return on investments for the Program.

Period of Time	Rate of Investment Return
1 month (3/1/99 – 3/31/99)	3.01
FYTD (7/1/98 - 3/31/99)	11.44
1 year (3/1/98 -3/31/99)	15.39
Since Program Inception (2/1/97 – 3/31/99)	22.38

BENEFIT APPLICATIONS

As of May 28, 1999, the CB Benefit Program has received a total of 23 benefit applications: 11 retirement applications, 10 termination applications, and 2 death benefit applications. Of those 23 applications, 21 have been paid, and 2 are not eligible for payment at this time due to the one-year waiting period for termination benefits. The following tables represent the individual breakdown of benefit applications.

Applications Received

	Feb 99	Mar 99	Apr 99	May 99	Total To Date
Retirement	2	2	1	0	11
Termination	1	1	0	0	10
Death	0	0	0	0	2
Disability	0	0	0	0	0
Totals	3	3	1	0	23

Completed Applications Ready for Payment

	Feb 99	Mar 99	Apr 99	May 99	Total To Date
Retirement	1	3	1	0	11
Termination	0	0	0	2	8
Death	0	0	0	0	2
Disability	0	0	0	0	0
Totals	1	3	1	2	21

Benefits Paid

	Feb 99	Mar 99	Apr 99	May 99	Total To Date
Retirement	0	5	3	1	11
Termination	0	6	0	2	8
Death	0	2	0	0	2
Disability	0	0		0	0
Totals	0	13	3	3	21